

State of
Washington
House of
Representatives



Sept. 17, 2009

The Honorable Christine Gregoire
Governor, Washington State
P.O. Box 40002
Olympia, WA 98504-0002

Dear Governor Gregoire:

The regulatory burdens and costs placed on Washington citizens and employers have been an ongoing concern, but are of even greater concern to us in these difficult economic times. When households are tightening their belts, your administration and state government agencies are hurting families and employers by authorizing additional onerous and unnecessary regulations.

Washington already has one of the most costly and complex workers' compensation programs in the nation. Despite this fact, employers have been responsible and are doing their part to create and maintain safe workplaces. According to the State Department of Labor and Industries (L&I), the quarterly total claim frequency has decreased 55 percent since 1990. Yet, on June 22 of this year, L&I outlined its preliminary proposal to increase workers' compensation premiums for 2010 by 15-20 percent – the highest increase since 2003. Any decision to raise taxes in a recession is unacceptable. We ask that you publicly oppose any increase in workers' compensation premiums and explain to L&I that raising taxes will only increase job losses, thereby exacerbating the loss in workers' compensation premiums it claims is occurring.

Such an increase adds yet another layer of costs to our recession-battered employers and kills jobs. In addition, L&I just postponed its proposed massive increases to the state's prevailing wage in response to the flood of concerns and complaints it received regarding the agency's calculation process. Couple this with the Employment Security Department's (ESD) recent receipt of a conformity letter from the federal Department of Labor regarding ESHB 1906 (Chapter 3, 2009 Laws), which states the non-charging of the additional \$45 paid to the experience rating accounts of employers conflicts with federal law. Likewise, ESD's June 2009 Unemployment Insurance Trust Fund Forecast report anticipates higher payroll taxes. These proposals to hike taxes on employers could not come at a worse time.

In *The Seattle Times*, you were quoted as saying, "I want Rogers [Weed] to wake up every morning with a laser focus on keeping the companies and jobs we have, and bringing new jobs and companies to our state." Yet, your recent actions take our state in exactly the opposite direction, specifically:

- On May 21, you ignored the Legislature's rejection of your cap-and-trade bill and issued an executive order directing state agencies to implement most of the provisions in the measure, along with two additional provisions. It is the citizens of Washington who will eventually bear the financial brunt of these actions. Hard-working people will pay more through higher utilities, gas, food and goods and services. Likewise, our employers need reliable and affordable energy sources – not new and costly taxes and regulations.
- On May 29, you sent a letter to the State Building Code Council, requesting it adopt policies that would achieve a 30 percent reduction in new building energy use by 2010, which does not comply with the timeline set in Senate Bill 5854 (Chapter 423, 2009 Laws). Yet, the cost to employers and building owners to implement this drastic increase would be devastating, while the building industry has lost 47,700 construction jobs since 2007. Additionally, this will raise the cost of housing and homeownership at a time when families can least afford it.
- On July 16, the Department of Ecology (DOE) imposed a moratorium on new exempt wells and water withdrawals in upper Kittitas County based on concerns that the growth of such wells may potentially impact senior water rights. Yet, DOE presents no quantifiable evidence to support its concerns. This arbitrary moratorium immediately impacted 596 land listings and millions of dollars of construction work that creates much-needed jobs in a region of the state experiencing 15 percent unemployment. Not to mention the families who have invested in the land and new homes that will now not have access to water.

These are just a few examples of what we believe are job-killers, not the job creators you spoke about in the newspaper. In this time of uncertainty and scarcity of jobs, our hope is that you and the agencies you oversee are keeping in mind this simple fact: Empowered employers create jobs and generate revenue for the state to pay for social safety net programs. If employers continue to be strangled by proposals your agencies are considering, we believe our unemployment will skyrocket and further strain the safety nets that employers pay for right now.

We look forward to working with you to strengthen the employer community, including stopping harmful tax increases proposed by L&I, so they can continue to do what they do best – create jobs. We urge you to vehemently oppose an increase in workers' compensation rates due to the harm it will do to our already-struggling employers and job retention. We

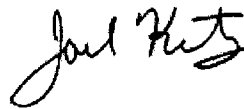
will be sharing these concerns with our colleagues in the Legislature in the hopes that majority Democrats take similar steps to alleviate the burden on employers and working families.

Thank you, in advance, for your timely written response.

Sincerely,



Representative Richard DeBolt
20th Legislative District



Representative Joel Kretz
7th Legislative District



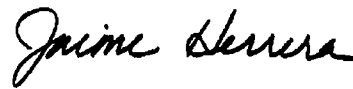
Representative Jan Angel
26th Legislative District



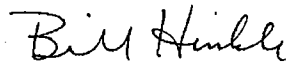
Representative Cary Condotta
12th Legislative District



Representative Larry Haler
8th Legislative District



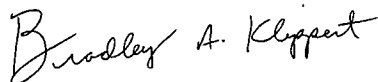
Representative Jaime Herrera
18th Legislative District



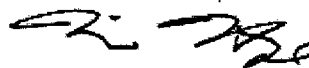
Representative Bill Hinkle
13th Legislative District



Representative Norm Johnson
14th Legislative District



Representative Brad Klippert
8th Legislative District



Representative Mike Hope
44th Legislative District



Representative Dan Kristiansen
39th Legislative District



Representative Jim McCune
2nd Legislative District



Representative Ed Orcutt
18th Legislative District



Representative Kevin Parker
6th Legislative District



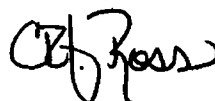
Representative Kirk Pearson
39th Legislative District



Representative Dan Roach
31st Legislative District



Representative Jay Rodne
5th Legislative District



Representative Charles Ross
14th Legislative District



Representative Joe Schmick
9th Legislative District



Representative Matt Shea
4th Legislative District



Representative Norma Smith
10th Legislative District

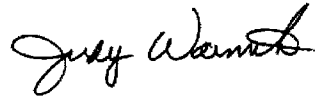


Representative David Taylor
15th Legislative District

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16th Legislative District



Representative Judy Warnick
13th Legislative District



Representative Bruce Dammeier
25th Legislative District



Representative Shelly Short
7th Legislative District



Representative Tom Campbell
2nd Legislative District



Representative Larry Crouse
4th Legislative District



Representative Skip Priest
30th Legislative District

cc: Speaker Chopp
Sen. Lisa Brown
Sen. Hewitt